

This Notice Expires 1 May 1980

PERSONNEL

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MERIT PAY FOR MANAGERS AND SUPERVISORS

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1. One of the features of the Civil Service Reform Act of 1978 is a Merit Pay System for Federal employees in grades GS-13 through 15 who are supervisors or managers. While the Agency is exempt from this provision of the act, the Director of Central Intelligence under his special authorities could adopt the concept in the Agency if it were found to be in the interest of employees.

2. The Merit Pay System (MPS), which is designed to recognize and reward quality performance, contains a number of significant features. For example, the group covered by the MPS will no longer receive periodic within grade increases, but will be eligible instead for merit pay increases each year. In addition, persons being compensated under the MPS will receive a minimum of one-half of the annual comparability pay increase. Through these significant cutbacks in what had become virtually automatic yearly income gains, a fund will be created from which the new merit increases will be drawn. Federal agencies covered by the act have until 1 October 1981 to implement the MPS, and some agencies are proceeding with implementation on an experimental basis.

3. There has been no decision in the Agency on the adoption of a Merit Pay System. Like other agencies, we will be watching carefully the progress of those who implement the MPS, and in the next few months the Office of Personnel will initiate an intensive study of the system. As was the case with the proposals for the Senior Intelligence Service, the results of the Office of Personnel study will be reviewed by the Executive Committee and a determination made whether or not the adoption of a Merit Pay System would be feasible and offer identifiable benefits to the personnel management program of the Agency.

/s/ C. D. May

Clifford D. May, Jr.  
Acting Deputy Director  
for  
Administration

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